

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF

INDIANA STATE PRISON  
DEPARTMENT OF CORRECTIONS  
STATE OF INDIANA

December 1, 1999 to June 30, 2006



**FILED**  
10/18/2006



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# AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Department of Corrections	Ed Cohn Evelyn Ridley-Turner J. David Donahue	01-13-97 to 01-31-01 02-01-01 to 01-09-05 01-10-05 to 01-11-09
Superintendent	Rondle L. Anderson Cecil Davis Ed G. Buss	03-30-98 to 07-31-01 08-01-01 to 08-31-05 09-01-05 to 12-31-06
Business Administrator	Phyllis F. Newkirk	02-22-98 to 12-31-06



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA STATE PRISON

We have reviewed the receipts, disbursements, and assets of the Indiana State Prison for the period of December 1, 1999 to June 30, 2006. The Indiana State Prison's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana State Prison are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

September 11, 2006

## INDIANA STATE PRISON REVIEW COMMENTS

### DOCUMENT RETENTION - Applies to Lakeside Correctional Institute

Some documents requested for our review could not be located. When the recordkeeping for the Lakeside Correctional Institute was merged with the State Prison, financial records for periods prior to the merger were boxed for storage. These records could not be located during the review.

Documents should be retained in accordance with a retention schedule approved by the Oversight Commission on Public Records. Also, documents must be filed in such a manner as to be readily retrievable or otherwise reasonably attainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapters 15 and 1)

### MERGER OF FINANCIAL RECORDS

The financial records of the Lakeside Correctional Institute were merged with the financial records of the State Prison in November 2005. The balance of the Lakeside Correctional Institute Inmate Trust Fund, \$16,505.56 was receipted and deposited in the State Prison Inmate Trust Fund on November 1, 2005. The balance of the Lakeside Correctional Institute Recreation and Commissary Fund, \$18,032.74 was receipted and deposited in the State Prison Recreation and Commissary Fund on November 17, 2005. Also, two investments from the Lakeside Correctional Institute Recreation and Commissary Fund, a certificate of deposit renewed on June 11, 2004, for \$9,563.87 and a certificate of deposit renewed on November 14, 2005, for \$9,085.82, were transferred to the custody of State Prison officials.

The Lakeside Correctional Institute SDO account advance has been returned to the State.

INDIANA STATE PRISON  
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2006, with Phyllis F. Newkirk, Business Administrator and Mark E. Levenhagen, Assistant Superintendent. The official response has been made a part of this report and may be found on page 6.



Mitchell E. Daniels, Jr.  
Governor

J. David Donahue  
Commissioner

September 13, 2006

INDIANA STATE PRISON  
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Ed G. Buss  
Superintendent

State Board of Accounts  
302 W Washington Street, Room E418  
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RE: OFFICIAL RESPONSE  
(Audit period examined: December 1, 1999 to June 30, 2006)

This letter is in response to a Review Comment noted by the State Board of Accounts examiners, concerning document retention for Lakeside Correctional Facility. On the day that certain financial records were requested by the examiners, the records could not, at the time, be produced.

It was determined by the next business day that the records did indeed exist in whole, and had been boxed for storage; however the boxes had been mis-labeled in error. As a result of the mis-labeling, those particular boxes were not recognized to be of the requested time period and therefore the records were not provided to the examiners for review.

That error was corrected within the next few business days, although not in time for the review. The labels on the retention boxes now reflect the appropriate fiscal years; the financial records for those fiscal years are now available for review upon request.

Sincerely,

Phyllis F. Newkirk  
Business Administrator

/pfn

cc: Ed G Buss, Supt.  
Lisa Cottingham, Controller  
File: Bus Ofc Audits



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